OKLAHOMA

Current Farm Economics

Vol. 23 No. 3 June, 1950

ON THE COVER: F. L. Underwood, associate economist, seated, and Kenneth B. Boggs, instructor. Boggs is the author of the Wheat report, Page 73. (Another in a series of pictures of Agricultural Economics and Extension division staff members whose reports appear in **Current Farm Economics**).

Current Farm Economics

OKLAHOMA

Vol. 23 | June, 1950 | No. 3

Prepared bi-monthly by the Department of Agricultural Economics and Extension Economists, Oklahoma A. & M. College.
Mailed free upon request.

L. A. PARCHER, Editor | PETER NELSON, Dept. Head

The Agricultural Situation
General
Demand 69
Price 70
Income 71
Farm Real Estate 71
Crops
Cotton 72
Watermelons 73
Wheat 73
Feed 75
Livestock and Livestock Products
Beef Cattle 75
Dairy 77
Hogs 79
Poultry 79
Sheep, Lambs and Wool 82
Tables of Prices and Price Indexes 83

DIVISION OF AGRICULTURE
Oklahoma A. & M. College, Stillwater

Oklahoma Agricultural Experiment Station
W. L. Blizzard, Director
Louis E. Hawkins, Vice Director

Oklahoma Agricultural Extension Service
County Agent Work;
Shawnee Brown, Director

Cooperative extension work in agriculture and home economics, Oklahoma Agricultural and Mechanical College and United States Department of Agriculture, cooperating. Distributed in furtherance of Acts of Congress of May 8 and June 30, 1914.

The Agricultural Situation

GENERAL

Demand

During the early part of the year, economists predicted and businessmen expected favorable conditions through the first half of 1950. It was also anticipated that the second half of 1950 would be uncertain, and possibly would be a period of considerable decline in business activity. The expectation was fulfilled for the first half of the year, but it now appears that the pessimistic view concerning the last half of 1950 will have to be revised.

There are several reasons why this expected downturn in business activity has not materialized. First, consumers have been spending at record rates during the past few months, and the demand for most products (especially durable products) continues strong; in addition, employment has increased. It should be noted, however, that at least a part of this strong consumer demand has been made possible through increased purchases on credit, and by the refunds made by the government on veterans' life insurance. Most of the refunds probably were utilized during the first half of the year, and should not be a factor during the next half.

Second, and perhaps one of the more important reasons, is the government's position regarding easy credit and deficit spending. On the deficit spending side, military and armament expenditures may increase enough to more than offset the reduction in scheduled foreign aid expenditures. Expenditures by states and municipalities for roads and other improvements probably will continue to increase. In addition, expenditures for farm price supports, although not greatly different from expectations, will be higher in 1950 than in 1949.

With regard to easy credit, the government has underwritten a significant amount of home building through actual guarantees, relaxed restrictions on borrowing, and in some cases lower interest rates. This action has placed more families in the position to purchase homes, and, in some cases, with smaller down payments. Home construction has been one of the important factors in the economy during the past few months. Governmental action has aided in the establishment of new records in home building, with the first quarter value of residential construction well over 240 percent of the 1926 base period compared with approximately 130 percent during the same period a year ago. Effects of these policies are price-strengthening, and these trends probably will continue during the rest of the year.

Third, the threat of unemployment and curtailed production, especially in the automobile industry, has been reduced considerably by the successful labor-management negotiations during the past few weeks. This should provide further stimulus to the already high industrial production of the economy. An additional stimulus is the slightly higher

gross private domestic investment during the first quarter of 1950 compared with the last months of 1949. Private investment was expected to decline, but it appears that it will remain fairly stable and high during the next few months.

In view of the optimism surrounding these price-strengthening factors, a word of caution should be emphasized. The tight situation with regard to supplies cannot be overlooked. It is not known at present whether a significant proportion of the demand for some of the steel, minerals, and other factors of production is sustained on the basis of stockpiling and building up of inventories, or whether it is sustained on the basis of current consumption. Until this can be determined, the expectations (excluding unforeseen changes in the military situation) for the last quarter of the year will remain somewhat uncertain in spite of the favorable indications.

Price

The high level of business activity in the overall economy has strengthened the demand for agricultural products. On May 15, the index of prices received by Oklahoma farmers increased 5 points, or 1.9 percent from a month ago to 263 percent of the 1910-14 average. Compared with a year ago, May 15 prices were down 4 points, or approximately 1.5 percent (Table 1).

However, the increase in prices received by farmers on May 15 was not a net gain since the index of prices paid by farmers also increased. As of May 15 the unrevised index of prices paid by farmers (excluding interest and taxes) was 258 percent of the 1910-14 base compared with 254 percent a month ago and 256 percent a year ago. This resulted in a parity ratio on May 15 of 102 which was unchanged from a month earlier and down 2 points from the same period last year.

By commodity groups the prices of crops and of livestock and livestock products increased over April 15. However, total livestock and livestock products contributed a greater share to the increase.

TABLE 1.—Percentage Changes of May Prices from Prices in Selected Months by Commodity Groups: Oklahoma.

	From May 1949	From April 1950
All Commodities	− 1.5	+ 1.9
Total Crops	− 0.8	+ 0.8
Grains	+ 4.1	+ 0.9
Cotton and Cottonseed	− 4.2	+ 0.8
Miscellaneous crops	+20.3	+ 3.4
Total Livestock and Livestock Products	− 1.6	+ 4.3
Meat animals	+ 4.5	+ 6.8
Dairy products	− 3.5	− 0.9
Chickens and eggs	−30.1	− 1.8

Meat animal prices increased by the largest percentage because of significantly higher prices of hogs and slightly higher prices of cattle and veal calves. The price of grains showed a small net increase along with the prices of cotton and cottonseed. Prices of miscellaneous crops also increased. Only dairy products and chickens and eggs showed price declines.

Both total crops and total livestock and livestock products shared in the decline in May 15 prices compared with a year earlier, although the decrease in the price of total livestock and livestock products was somewhat greater. Only grains, miscellaneous crops, and meat animals registered price increases. Chickens and eggs showed the largest price decreases.

Income

Cash receipts from farm marketings, estimated at 5.8 billion dollars during the first 5 months of 1950, are down about 5 percent from a year earlier.* A slightly higher volume of marketings, together with lower prices, account for the decline. Receipts from livestock and livestock products will be about 3.2 billion dollars, down 5 percent, while receipts from crops will total approximately 3.2 billion dollars, down 6 percent.

Farmers' cash receipts are currently estimated at about 25 billion dollars for 1950, down 2.5 billion dollars from 1949. Lower average prices received by farmers will be responsible for the decline. This decline in cash receipts will be reflected almost exclusively in lower realized net income, because the index of prices paid by farmers is expected to remain at current levels. In view of these estimates, net farm income in 1950 may decline 15 to 17 percent from 1949 levels.—*Leo V. Blakley.*

FARM REAL ESTATE**

Stable to slightly higher prices for farm products and improvements in general business conditions since the first of the year appear to have checked the decline in farm real estate values which began last year. Small increases in 19 states raised the United States index one percent to 169 (1912-14=100). Land values showed the greatest strength in the states from North Dakota and Minnesota southward through Texas and Louisiana.

Values this March for the country as a whole were down 3 percent compared with a year ago. The farm land value index in Oklahoma as of March, 1950, stood at 205 (1912-14=100), as compared to the peak of 211 in March, 1949.

Volume of Sales Down

The number of farm transfers declined during 1949 for the third consecutive year. Voluntary sales accounted for 71 percent of all sales

* *The Farm Income Situation*, U. S. D. A., B. A. E., April 1950, p. 2.

** Summarized from: *The Farm Real Estate Market*, U. S. D. A., B. A. E., March 1950.

during the year ending March, 1950, and were at the rate of 3.7 percent of all farms. This is 9 percent less than the previous year and 36 percent below the peak years 1946 and 1947. The combined rate of transfer by all methods declined to 52 farms per 1,000, 8 percent less than the previous year and the lowest rate since records first became available in 1926.

Increased Interest is Selective

As a result of a survey in March, the Bureau of Agricultural Economics concludes that a slight increase in interest for purchasing farms is evident. About one-fifth of the reporters noted an increase in the number of inquiries to buy farms compared with a year ago. However, the demand tends to be more selective than in previous years. Prospective buyers are more cautious, and are seeking the better farms which are more likely to pay out over the long run.

Oil Activity Reduces Farm Sales

The expansion of oil and gas activity in Texas, Oklahoma, and Kansas continues to be a factor in the farm real estate market in these states. When actual or prospective mineral developments occur in an area, a separate market develops for subsurface rights. Although there is increased activity frequently in the purchase and sale of these rights, the number of farms transferred for agricultural purposes is often reduced.

Increase in Credit Sales

The highest proportion of credit sales since the early war years was reported for the year ending in March. Sixty-one percent of all farm sales made last year were credit-financed, compared with 56 percent in 1949. About 80 percent of all credit purchases were financed by farm mortgages. Mortgage debt on new farm purchases has averaged between 50 and 55 percent of the purchase price in recent years.

Commercial banks and individuals accounted for 61 percent of all farm mortgage credit extended during 1949; however, sizable increases in amount of money loaned were made by the Federal Land Bank and insurance companies in 1949 as compared to the previous year.—*Robert L. Tontz.*

CROPS

Cotton

Both domestic and foreign demand for cotton continue at rates higher than generally expected last fall. Domestic consumption now appears likely to be between 8¾ and 9 million bales for the year ending July 31. Exports for the same period may reach 6 million bales. These amounts would exceed the previous year's consumption and exports by about one million bales each, or a total of about two million bales. This will also leave approximately a million bales less carryover in the United States than was anticipated last fall.

The strong domestic demand is partly the result of high rates of industrial activity, which involves the use of considerable cotton. The increasing population with high levels of incomes, and rearmament, are also favorable for larger consumption. Foreign cotton producing countries are not offering as much on world markets as had been anticipated one to five years ago. Some are also consuming more cotton within their borders than formerly, thereby reducing the amounts offered on world markets. The increase in world population also favors an increase in the demand where the demand can be financed.

In recent weeks, rains have relieved the dry conditions of top soils in Southwestern Oklahoma and part or all of Northwestern Texas. Subsoils are still dry in a large area, however. Cool and rainy weather has caused considerable replanting in several states, and many fields in eastern areas are reported to be weedy and grassy where stands were ob tained.

Insects are still considered a serious threat to the 1950 crop. Some reports indicate the acreage will be reduced by around 30 percent, compared to 1949.

On the whole, the price of cotton appears likely to remain above loan levels for several months. Evidence of the strong current position of cotton prices is the strong demand for loan equities, price levels of future months on future exchanges and recent sales of cotton taken over by the CCC from the 1948 crop.—*John D. Campbell.*

A study of the effect of various types of gin equipment on cotton grades is ready for publication. A copy will be sent upon request. Write to the department of Agricultural Economics, Oklahoma A. & M. College.

Watermelons

Watermelon growers in Oklahoma will plant about 15,000 acres this year, or about 1,000 acres more than last year. The acreage in other watermelon producing states is about the same as last year.

Consumer income is expected to remain high, hence a good demand may be expected.

Oklahoma has established recognition in consumer markets as producing high quality watermelons. Growers can protect this position by following known production and marketing practices which assure consumers a top quality watermelon.—*James R. Enix.*

Wheat

While this year's wheat production still is a big question, it is expected to add less to stocks than last year's crop. Even so, production is very likely to exceed the amount used in the United States plus exports.[*]

[*] *Agricultural Situation*, May 1950.

The indications now are that carryover on July 1, 1951, probably will be close to 500 million bushels, or perhaps slightly larger if present production indications materialize as compared to an estimated 450 million on July 1 this year and 307 million on July 1, 1949.

The indicated production of winter wheat on April 1 for the United States was 763,590,000 bushels. By May 1, however, this figure had been adjusted downward to 689,595,000 bushels as a result of poor production prospects due largely to unfavorable weather conditions during late winter and early spring. North and eastern winter wheat suffered severe winter killing where fields were not covered with a snow blanket. Most of the damage to the southwestern wheat area has been due to dry weather and green bugs.

As harvest progresses, early reports in the southwest indicate better than expected yields. It is a little early to get an indication as to whether there is a general consistency in larger yields than expected, and whether that tendency will continue throughout the winter wheat belt.

Some late reports indicate that spring seedings in the Montana-Dakota-Minnesota area have been seriously retarded due to dry weather this spring. In the event that farmers underplant their allotments in this area and if yields fall below the average of the last few years, the United States could produce less than a billion bushels which would be the smallest in seven years.

On April 1, 1949, wheat stored on farms in the United States totaled 246,024,000 bushels; on April 1 this year, it was down to 199,169,000. Oklahoma farmers reduced their farm stored wheat during the same period from 239,000 to 161,000 bushels. Wheat storage probably will not be a major problem in Oklahoma this year.

On May 15, 1950, the average price in the United States was $2.04 per bushel. This was an increase of four cents per bushel over a year earlier, and three cents greater than the average price on April 15 this year.

Prices in Oklahoma on May 15 were unchanged from a month earlier. It is likely that the movement of wheat from Oklahoma storage into marketing channels accounts in part for the steady price in Oklahoma as compared to the increase in the United States.

On May 31, 1949, Kansas City received 597 cars of wheat as compared to 39 on the same day this year. Cash grain prices a year ago for Number 2 hard and dark hard were quoted at about $2.02 per bushel, and this year were quoted at about $2.26. Prices for Number 2 and 3 hard and dark hard averaged about 24 cents a bushel more this year than last, and Number 2 and 3 red about 30 cents per bushel higher between the same dates.

Prices are likely to average higher through harvest this year than last, depending in part upon harvesting conditions in the winter wheat

belt and planting and growing conditions of the spring wheat area.—*Kenneth B. Boggs.*

FEED

United States.—Even though domestic utilization was about 9 percent larger during October-March this season than the same period a year ago, a new record was set this year for April 1 feed grain stocks. One reason for this is that nearly one-third of the total stocks was held in storage under the price support program. Prices of feed grains, as well as of most other feeds, have started upward, and this trend is expected to continue until the 1950 crops come on the market.

Oklahoma.—Weather in the early part of 1950 was rather unfavorable for spring seeding, but recent rains over the State have improved conditions considerably. Insect and drouth damage, along with acreage restrictions in the wheat areas, will be instrumental in increasing the amount of feed planted this year. It is expected that the grain sorghum acreage in the nation will be 24 percent larger this year than last. If weather conditions continue favorable during the planting season of the combine varieties, Oklahoma probably will have as great if not greater increase in grain sorghums planted. For this reason, last-minute planters may have difficulty in obtaining the kind and quality of seed desired.

Pasture and range conditions for the first part of 1950 were also rather unfavorable due to dry weather, but general rains over the State have put them in excellent condition.—*Ray V. Billingsley.*

LIVESTOCK AND LIVESTOCK PRODUCTS

Beef Cattle

World cattle numbers at the beginning of 1950 were estimated at 771 million head by the Office of Foreign Agricultural Relations. This is 7 million or 1 percent higher than the 1949 total, and 28 million or 4 percent above the 1936-1940 average. A moderate increase is expected in 1950.

In the United States, 8 percent more cattle and calves were on feed on April 1 in the Corn Belt than a year ago, according to the Bureau of Agricultural Economics. California reported 42 percent more than for the previous year. Fifty-eight percent of the Corn Belt cattle are expected to be marketed following July 1 as compared to 51 percent planned for last year. As a result, seasonal marketings were expected to be later this year than last.

In the Blue Stem-Osage areas, the number of cattle pastured probably will be smaller than last year with only 62 percent of the available pastures leased as of April 1. A year earlier, 80 percent were leased, and two years ago, 90 percent.

Cattle slaughter to date has been smaller than last year. Up to the end of March, an exceptionally small part of slaughtered cattle were of good or better grade. In April, a substantial increase in good grade steers was received at three midwest markets. Choice and prime steers continued scarce.

At the Oklahoma City market, calf receipts in May exceeded marketings during May of last year by 15 percent (Table II). This is the first month since March, 1949, that calf receipts have been above a comparable period for the previous year. Cattle receipts at Oklahoma City in May were 35 percent above the 1949 May marketings.

*TABLE II.—Stockyards Receipts of Salable Cattle and Calves at Oklahoma City for Selected Periods of 1950, with Comparisons.**

Period	1949		1950		Percent Change	
	Cattle	Calves	Cattle	Calves	Cattle	Calves
	Number				Percent	
January	36,513	4,711	42,250	4,200	+16	−11
February	31,483	3,925	34,850	3,700	+11	− 6
March	46,675	5,839	46,225	4,675	− 1	−20
April	30,330	4,550	28,025	3,575	− 8	−21
May	21,853	3,165	29,550	3,625	+35	+15
Total	166,854	22,190	180,900	19,775	+ 8	−11

* Compiled from *Weekly Livestock Market Reviews*, Vol. XXXIII, January 6, 1950-May 26, 1950. United States Department of Agriculture, Production and Marketing Administration, Livestock Branch, Oklahoma City, Oklahoma.

*TABLE III.—Prices Received by Producers for Steers and Calves by Classes and Grades at Oklahoma City, Week Ending May 26, 1950, with Comparisons.**

Item	Grade and Weight (lbs.)	Week Ending		Percent Change from 1949
		May 27 1949	May 26 1950	
		Dollars per cwt.		Percent
Slaughter:				
Steers	Gd. 700-900	25.00	28.20	+13
	Med. 700-1100	22.75	25.20	+11
	Com. 700-1000	20.25	22.25	+10
Calves	Gd. and ch. 500 down	25.30	27.50	+ 9
	Com. and med. 500 down	20.80	22.50	+ 8
	Cull. 500 down	16.50	17.80	+ 8
Feeders and Stocker:				
Steers	Gd. 500-800	23.25	26.75	+15
	Med. 500-1000	21.00	23.10	+10
	Com. 500-900	19.00	20.20	+ 6
Calves	(Steers) Gd. and ch. 500 down	25.50	27.25	+ 7
	Med. 500 down	22.50	24.20	+ 8

* Compiled from *Weekly Livestock Market Reviews*, Vols. XXXII, May 27, 1949, and XXXIII, May 26, 1950. United States Department of Agriculture, Production and Marketing Administration, Livestock Branch, Oklahoma City, Oklahoma.

The B. A. E. indicates that commercial meat production of approximately 5,072 million pounds in the first quarter of 1950 was only slightly below production in the same period of 1949. Prospects are that total 1950 consumption per person will be 1 to 2 pounds above the 145 pounds consumed in 1949.

Prices received by producers at Oklahoma City for the week ending May 26 for steers and calves ranged from 6 to 15 percent above the comparable period a year ago (Table III). The better grades of steers were highest.

As more finished cattle are marketed in the next month or two, price spreads between grades are expected to narrow.

The prospective pattern of top-grade cattle prices in 1950 is distinctly different from last year's gradual advance from February to August, followed by a rapid rise in the fall. Price propects for the rest of this year are generally favorable despite the large cattle slaughter expected, because indications show that supplies of other meat animals will be only slightly above last year.—*Robert L. Tontz and Jeppe Kristensen.*

Dairy

Annual milk production rate in the U. S. is 123 billion pounds for 1950. Production per cow has broken monthly records since mid-season 1949. The number of milk cows has been increasing during most of the past 12 months. The number of heifers on farms is high.

Prices received by farmers for butterfat and manufacturing milk are near the 1949 level, but prices of milk for fluid purposes are somewhat lower. The increased quantity of milk marketed in 1950 is expected to offset the somewhat lower average price, resulting in only slightly less dairy income in 1950 than a year earlier.

U. S. milk production was 1 billion pounds larger for the first 3 months in 1950 than for the same period one year earlier. About one-half was used for fluid purposes and the balance for manufacturing purposes. This increase has resulted in generally higher production of manufactured products.

Cold storage stocks of butter on May 1, 1950, were 108 million pounds, the highest on record for this date. Cheese cold storage holdings were 171 million pounds on May 1, 1950. While cheese holdings usually have exceeded butter holdings, they also have been higher than usual during the past seven months. Butter prices are at support levels, and much butter during this flush production is going into government stocks. Cheese and butter are being purchased by CCC at the monthly rate of 4 million pounds each.

Dry skim milk, of both types, is accumulating and on May 18 CCC stocks were 166 million pounds. Evaporated milk holdings were 86 million pounds on May 1, 1950; on May 1, 1949, 177 million pounds. Stocks of condensed milk were 6 million pounds on May 1, 1950, compared to 8 million one year earlier.

TABLE IV.—Index Numbers of Retail Prices for Dairy Products and for Margarine in 56 Large Cities of the U. S., Average 1935-39, Annual 1945, 1948-50.

Commodity	Average 1935-39	1945	1948	1949	1950*
Fluid milk	100	127	178	172	167
Cheese	100	143	252	231	231
Evaporated milk	100	140	207	184	175
Butter	100	138	238	199	201
Margarine—uncolored	100	133	227	169	155

* Average, January-March.

Source: *The Dairy Situation*, page 5, May 1950, U. S. D. A.

This summary indicates a carry-over of about 6.5 billion pounds of milk compared to 3.5 billion pounds one year earlier, which is sufficient to exert a downward pull on milk and cream prices.

The situation is much like 1933 and 1934 when there were large surpluses, with the following exceptions:

(1) Support prices are much higher now and are in line with the higher general price level and parity.

(2) U. S. consumption is up 8 billion pounds annually due to increased population.

(3) There has been an increase in per capita consumption of the following products: Fluid milk, 36 pounds; Ice cream, 10.8; Evaporated milk, 5.4; Cheese, 2.6; Non-fat dry skim milk, 1.7; Condensed milk, .8, and Dry whole milk, .19.

(4) There has been a decrease in butter consumption of 7.3 pounds per capita. (7.3 pounds of butter is obtained from about 150 pounds of milk.)

(5) The total milk consumption per capita in the U. S. dropped from 813 pounds in 1933 to 760 pounds in 1949, or 53 pounds per capita.

Consumer incomes are high, and dairy products consumption usually follows closely with consumer income. However, in the present situation consumers are leaving butter and going to margarine, which alters the trend greatly.

Table IV lists retail dairy and margarine prices compared to 1935-39 average as 100.

The question: "How many dairy cows should U. S. farmers milk in the future?" Unless new uses and exports can be developed, producers are faced with need for less milk.—*A. W. Jacob.*

Hogs

The movement of hog prices has been unpredictable the past few months. It was anticipated that the large fall pig crop would cause some decline in prices in mid-May. However, it is now apparent that early marketings smoothed out the spring peak movement, and minimized the usual seasonal price decline.

Producers apparently rushed many of the fall-born hogs to market before expiration of price supports on March 31, with 1,111,000 being marketed the last week of March. Barrows and gilts received at seven markets in March averaged 232 pounds, 18 pounds lighter than in March 1949. In April, however, weights increased steadily and in the first three weeks of the month averaged only 8 pounds lighter than a year earlier. The effect has been a smaller increase over last year in output of pork, and less reduction in prices than would otherwise have occurred from the larger pig crop. Therefore, the 10 percent increase in number of fall pigs saved is being partially offset by lighter slaughter weights.

Another pork price supporting factor has been high beef prices. The spread between pork and beef prices had widened to about $15.00 before hogs began their upward climb in March. This spread was the greatest since 1918. Now the gap has closed to about $10.50 per hundredweight.

In addition, there is also about 3 percent less pork in storage this year than a year ago, and about 17 percent less than the period of 1939 to 1941 which is considered "normal."

Prices of barrows and gilts may be expected to rise seasonally through mid- or late summer, the advance possibly being as large as average. The spread between medium and heavy weights of barrows and gilts, which has been narrow, will probably widen considerably since prices of heavy hogs will be affected by the expected large slaughter of sows. It is anticipated that about ½ million more sows will be slaughtered this summer than last.

Last December, farmers reported that they planned to increase their 1950 spring pig crop 6 percent over the 1949 crop. This would result in a larger supply of slaughter hogs over last year. Although prices of hogs may average closer to a year earlier in the second half of 1950 than in the first, they are likely to be below 1949 in almost all months.

No announcement has been made of a new price support program for hogs.—*Raymond L. Wegener and Howard S. Whitney.*

Poultry

The poultry situation has probably reached a turning point as there are indications that measures are being taken to reduce the present, as well as the potential, supply of poultry products. The April hatchery output declined 6 percent below the same month a year ago and is 11

TABLE V.—Egg Prices Received by Oklahoma Farmers, January, 1942, to May 15, 1950
(Cents per dozen)

Year	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
1942	30.2	24.8	25.0	24.4	25.7	27.0	27.0	27.5	29.4	31.4	33.2	34.7	28.4
1943	35.4	33.3	32.9	32.4	32.9	33.3	32.6	32.6	34.3	37.5	39.0	39.6	34.6
1944	32.4	31.6	29.7	26.0	26.7	27.0	28.0	28.5	29.9	32.6	38.6	41.1	31.0
1945	37.5	31.2	30.7	30.8	30.5	31.1	32.3	33.5	30.0	35.0	44.7	45.5	34.4
1946	37.5	29.4	30.1	29.7	30.0	30.0	32.0	32.0	40.0	44.0	41.0	43.0	34.9
1947	38.1	35.1	36.0	37.5	36.5	36.7	38.3	37.4	43.6	47.8	47.7	57.6	41.0
1948	44.3	39.7	38.3	38.3	35.4	36.4	37.0	38.0	41.7	46.0	52.0	53.0	41.6
1949	43.0	40.5	37.9	38.3	38.4	36.7	36.5	38.4	42.4	46.0	46.1	40.9	40.4
1950	28.4	27.6	27.8	26.3	26.1								

SOURCE: "Prices Received by Farmers," Mid-Monthly Release, Agricultural Statistics, B.A.E., U.S.D.A., 318 Federal Bldg., Cooperating—Oklahoma State Board of Agriculture, Oklahoma City, Oklahoma.

TABLE VI.—Chicken Prices Received by Oklahoma Farmers, January, 1942, to May 15, 1950
(Cents per pound)

Year	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
1942	14.8	15.3	15.8	16.1	16.8	16.8	15.8	16.7	17.9	17.8	17.2	17.7	16.6
1943	19.0	19.8	20.7	22.1	22.1	22.6	22.3	21.7	22.0	22.3	22.5	21.9	21.6
1944	21.9	22.2	22.2	21.4	21.5	21.8	21.8	21.4	22.0	21.4	21.4	22.1	21.8
1945	21.8	22.1	22.5	23.2	24.0	24.7	24.9	25.8	22.8	21.8	20.9	21.4	23.0
1946	21.6	21.6	21.7	22.4	23.5	23.4	25.5	23.4	24.0	27.0	21.9	22.4	23.2
1947	22.4	21.2	23.0	23.8	23.5	22.2	22.0	22.0	22.5	23.4	22.1	21.6	22.5
1948	22.2	22.4	23.0	24.0	24.0	26.0	28.2	25.7	27.0	26.4	25.8	28.0	25.9
1949	27.0	27.0	26.2	28.1	24.8	21.6	20.0	20.4	20.6	19.8	19.9	19.7	22.9
1950	17.3	18.2	19.5	19.3	18.4								

SOURCE: "Prices Received by Farmers," Mid-Monthly Release, Agricultural Statistics, B.A.E., U.S.D.A., 318 Federal Bldg., Cooperating—Oklahoma State Board of Agriculture, Oklahoma City, Oklahoma.

TABLE VII.—Poultry Ration Cost Per 100 Pounds, to Oklahoma Farmers, January, 1942, to May 15, 1950.

(Dollars)

Year	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
1942	2.01	2.07	2.13	2.12	2.11	2.11	2.10	2.17	2.16	2.14	2.16	2.20	2.12
1943	2.37	2.39	2.45	2.53	2.60	2.66	2.71	2.77	2.75	2.77	2.82	2.86	2.64
1944	2.91	2.92	2.92	2.95	2.96	2.91	2.88	2.87	2.78	2.71	2.71	2.69	2.85
1945	2.72	2.73	2.76	2.79	2.78	2.80	2.84	2.86	2.85	2.89	2.91	2.94	2.82
1946	2.96	3.02	3.10	3.11	3.35	3.49	3.84	3.81	3.63	3.58	3.63	3.47	3.42
1947	3.89	3.42	3.77	3.85	3.85	3.81	3.94	4.08	4.35	4.42	4.53	4.76	4.01
1948	4.92	4.36	4.47	4.56	4.48	4.34	4.17	3.77	3.51	3.43	3.45	3.53	4.08
1949	3.52	3.41	3.45	3.52	3.45	3.29	3.33	3.32	3.29	3.27	3.25	3.30	3.37
1950	3.29	3.29	3.34	3.45	3.53								

*TABLE VIII.—Egg-Feed Price Ratios, Oklahoma.**

(Pounds of poultry ration** equal in value to one dozen eggs)

Year	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
1942	15.0	12.0	11.7	11.5	12.2	12.8	12.9	12.7	13.6	14.7	15.4	15.8	13.3
1943	14.9	13.9	13.4	12.8	12.7	12.7	12.0	11.8	12.5	13.5	13.8	13.8	13.2
1944	11.1	10.8	10.2	8.8	9.0	9.3	9.7	9.9	10.8	12.0	14.2	15.3	10.9
1945	13.8	11.4	11.1	11.0	11.0	11.1	11.4	11.7	10.5	12.1	15.4	15.5	12.2
1946	12.7	9.7	9.7	9.5	9.0	8.6	8.3	8.4	11.0	12.3	11.3	12.4	10.2
1947	11.2	10.3	9.5	9.7	9.5	9.6	9.7	9.2	10.0	10.8	10.5	12.1	10.2
1948	9.0	9.1	8.6	8.4	7.9	8.4	8.9	10.1	11.9	13.4	15.1	15.0	10.0
1949	12.2	11.9	11.0	10.9	11.1	11.2	11.0	11.6	12.9	14.1	14.2	12.4	12.0
1950	8.6	8.4	8.3	7.6	7.4								

SOURCE: "Prices Received by Farmers," Mid-Monthly Release, Agricultural Statistics, B.A.E., U.S.D.A., 318 Federal Bldg., Cooperating—Oklahoma State Board of Agriculture, Oklahoma City, Oklahoma.

* These ratios are not indicative of and must never be interpreted as "cost of production." They include only cost of feed, and all other costs of production are in addition.

** Poultry feed ration: percentages of specified feeds include commercial mash, 32.7 percent; home mixed mash, 11.2; commercial scratch, 4.0; corn, 14.0; wheat, 16.3; oats, 9.9; barley, 1.3; sorghum grain, 10.6 percent. Individual producers' ration cost may be more or less than the above stated costs as estimated by the Bureau of Agricultural Economics. In case poultry-ration cost and egg prices for producers in any community differ from those shown in Table VII and Table V, respectively, the actual ratios can be calculated by dividing egg prices per dozen by actual feed cost per pound.

percent less than the 1944-48 average. However, total hatchery output for the first four months of 1949 was 773,293,000 chicks, or only 2 percent less than 1949. The May hatchery production will be reduced considerably as the number of eggs in incubators on May 1 was 18 percent less than a year ago.

It will be some time before any reliable estimate can be made relative to number of layers that will be in production this fall. The number of chicks hatched is only a fair indicator this early in the season. About July 1 the number of chicks on farms will give a clear indication of plans producers have made for the new season. Even at this late date, many of the chicks that are destined for laying flocks could become broilers if the present unfavorable price situation continues. In view of the increase in storage holdings of eggs—shell, frozen, and powdered—current production will be competing with these low-priced eggs for the market, and current output will need to be reduced more than hatchery output indicates if prices are to become more favorable for producers.

Oklahoma producers have shown a tendency to reduce output a greater extent than others throughout the United States. Oklahoma hatcheries' output for the first four months in 1950 was reduced 19.1 percent compared to 1949. This does not mean that Oklahoma producers have found prices to be more unfavorable than elsewhere in the United States, but probably indicates that they have found better alternatives for utilization of their labor and capital.

Egg prices have averaged about 27 cents this year (Table V), with the 26.1 in May establishing a new low since 1944. Chickens were down almost another cent in May to 18.4 (Table VI). Later in the season, when the proportion of hens marketed increases relative to the number of broilers, the average price likely will drop even more.

Another discouraging factor at present is the comparatively high cost of feeds or poultry rations. Poultry rations prices have increased slightly and reached 3.53 in May. Eggs, meanwhile, declined slightly, thereby causing the lowest egg-feed ratio, 7.4, on record (Tables VII and VIII).

Turkey producers evidently found the 1949 price relationships favorable as output appears to be increasing slightly above last year throughout the United States.—*K. C. Davis.*

Sheep, Lambs and Wool

There has been no appreciable change in the situation since the report in the April issue of CURRENT FARM ECONOMICS.—*Raymond B Marshall.*

Prices Received by Farmers, Price Indexes, and Indexes of Purchasing Power of Oklahoma Farm Products
(1910-1914=100)

	Prices					Price Indexes					Purchasing Power Indexes [1]				
		1950					1950					1950			
	1949 May	Feb.	Mar.	Apr.	May	1949 May	Feb.	Mar.	Apr.	May	1949 May	Feb.	Mar.	Apr.	May
	(Dollars)					(Percent)					(Percent)				
Grain						222	220	226	229	231	86	88	90	90	90
Wheat (bu.)	1.98	1.98	2.03	2.05	2.05	230	230	236	238	238	89	92	94	94	92
Corn (bu.)	1.33	1.24	1.27	1.32	1.40	205	191	195	203	215	80	76	78	80	83
Oats (bu.)	.78	.84	.86	.86	.88	173	187	191	191	196	67	75	76	75	76
Barley (bu.)	1.14	1.13	1.13	1.13	1.16	194	192	192	192	197	75	77	76	76	76
Rye (bu.)	1.20	1.17	1.08	1.13	1.18	140	136	125	132	137	54	54	50	52	53
Grain Sorghums (bu.)	1.20	1.08	1.13	1.15	1.18	176	159	166	169	173	68	64	66	67	67
Cotton and Cottonseed						262	229	237	249	251	102	92	94	98	97
Cottonlint (lb.)	.295	.260	.275	.285	.287	261	230	239	252	230	102	92	95	99	89
Cottonseed (ton)	53.00	43.50	42.50	44.00	45.00	270	222	217	225	230	105	89	86	89	89
Miscellaneous Crops						153	183	177	178	184	60	73	71	70	71
Potatoes, white (bu.)	2.00	1.70	1.80	1.80	1.90	180	153	162	162	171	70	61	65	64	66
Potatoes, sweet (bu.)	2.50	2.60	2.45	2.50	2.50	203	211	199	203	203	79	84	79	80	79
Hay, all loose (ton)	10.80	16.70	15.70	15.80	16.30	122	189	178	179	185	47	76	71	70	72
Total Crops						244	225	231	240	242	95	90	92	94	94
Meat Animals						375	360	366	367	392	146	144	146	144	152
Cattle (cwt.)	20.50	19.80	20.20	20.50	21.50	424	410	418	424	445	165	164	167	167	172
Calves (cwt.)	22.90	22.40	23.10	23.30	24.30	384	375	387	390	407	149	150	154	154	158
Sheep (cwt.)	10.50	10.40	10.40	10.80	10.80	227	224	224	232	232	88	90	89	91	90
Lambs (cwt.)	26.50	23.00	24.10	25.50	25.50	455	395	414	437	437	177	158	165	172	169
Hogs (cwt.)	17.80	16.40	16.30	15.60	18.10	253	233	232	222	257	98	93	92	87	100

Prices and Indexes, Cont'd.

	Prices					Price Indexes					Purchasing Power Indexes[1]				
	1949	1950				1949	1950				1949	1950			
	May	Feb.	Mar.	Apr.	May	May	Feb.	Mar.	Apr.	May	May	Feb.	Mar.	Apr.	May
	(Dollars)					(Percent)					(Percent)				
Dairy Products						231	235	232	225	223	90	94	92	89	86
Milk, wholesale (cwt.)	3.95	4.10	3.90	3.65	3.65	205	212	202	189	189	80	85	80	74	73
Butter (lb.)	.64	.63	.63	.62	.62	286	281	281	277	277	111	112	112	109	107
Butterfat (lb.)	.55	.56	.56	.55	.54	235	239	239	235	231	91	96	95	93	90
Chickens and Eggs						229	165	170	163	160	89	66	68	64	62
Chickens (lb.)	.248	.182	.195	19.3	18.4	264	194	207	205	196	103	78	82	81	76
Eggs (doz.)	.384	.276	.278	.263	.261	216	155	156	148	147	84	62	62	58	57
Total Livestock and Livestock Products						318	298	301	300	313	124	119	120	118	121
All Commodities						267	246	252	258	263	104	98	100	102	102

SOURCE: Compiled by Dept. Agri. Econ., Oklahoma A. and M. College, from data supplied by Bureau of Agricultural Economics, U.S.D.A., Oklahoma City, Oklahoma, and Washington, D. C.

For previous years, see Oklahoma Agri. Exp. Sta. Bul. 238, *Oklahoma Farm Price Statistics*, and *Current Farm Economics*, Okla. Expt. Sta. Series 49, Vol. 15, Nos. 1 and 2, Feb.-Apr., 1940. Tables 16-19, and subsequent issues.

[1] The ratio of prices received by farmers to prices paid by farmers for commodities used in living and production.

Joyce Van Den Broeder.

Price Indexes in the United States and Oklahoma and Indicators of Changes in Domestic Demand.

Year and Month	PRICE INDEXES Average 1910-14=100					INDICATORS OF CHANGES IN DOMESTIC DEMAND	
	Index of Prices Received by Farmers		Index of Prices Paid by Farmers United States	All-Commodity Index of Wholesale Prices United States	Oklahoma Hog-Corn Price Ratio[2]	Index of Demand Deposits Oklahoma[3] 1923-25=100	Index of Factory Payrolls[4] 1939=100
	Oklahoma[1]	United States					
1910	108	102	98	103	14.43		
1911	98	95	101	95	9.17		
1912	96	100	100	101	11.15		
1913	101	101	101	102	11.21		
1914	97	101	100	99	10.55		
1915	100	98	105	102	10.48		
1916	125	118	124	125	10.61		
1917	193	175	149	172	9.52		
1918	226	202	176	192	9.20		
1919	236	213	202	202	11.14		
1920	221	211	201	225	12.55		
1921	109	125	152	142	17.95		
1922	130	132	149	141	13.39		
1923	161	142	152	147	7.44	97.0[5]	
1924	165	143	152	143	7.26	95.8	
1925	164	156	157	151	11.05	106.5	
1926	134	145	155	146	16.44	102.0	
1927	134	139	153	139	14.54	100.5	
1928	151	149	155	141	10.72	100.3	
1929	145	146	153	139	10.65	92.3	
1930	112	126	145	126	11.04	77.4	
1940	92	98	123	114	8.61	92.0[6]	113.6
1941	117	122	130	127	13.77	86.6	164.9
1942	152	157	152	144	14.35	107.4	241.5
1943	172	188	167	150	11.69	162.3	331.1
1944	181	195	176	152	10.56	215.9	343.7
1945	184	202	181	154	11.95	285.3	293.5
1946	226	233	203	177[7]	11.56	335.3	271.1
1947	286	278	246	222[7]	13.34	348.5	326.9
1948	293	287	264	241	12.69	353.3	351.4
1949	257	251	253	226	15.00	347.4	----
1949 Nov.	246	237[7]	250[7]	221	14.45	349.1	313.9
Dec	243	233[7]	251	221[7]	13.13	353.0	330.1
1950 Jan.	241	235	250	220	12.56	356.6	329.7
Feb.	246	237	250	223	13.22	353.6	----
Mar.	252	237	251	223[7]	12.83	----	----
Apr.	258	241	254	223[7]	11.82	----	----
May	254	247	258	228	12.93	----	----

SOURCES: Indexes of Oklahoma prices received by farmers, computed by Dept. Agri. Econ., Okla. Agri. Exp. Sta., Stillwater, Oklahoma. Indexes of U. S. prices received and prices paid by farmers and indexes of U. S. wholesale prices, from *Agricultural Prices*, Bur. of Agri. Econ., U. S. D. A., Washington, D. C. Indexes of demand deposits in Oklahoma, calculated by Dept. Agri. Econ., Okla. Agri. Exp. Sta., from data furnished by Federal Reserve Board, Washington, D. C. Indexes of factory payrolls, from U. S. Department of Labor, Bureau of Labor Statistics, Washington, D. C.

[1] Prices received by Oklahoma farmers for 25 commodities. Revised, 1910-1939, in January, 1940.

[2] These figures indicate the number of bushels of corn that could be purchased with 100 pounds of live hogs at current Oklahoma prices received by farmers.

[3] Demand deposits of Oklahoma member banks of the Federal Reserve System located in places under 15,000 population.

[4] Unadjusted for seasonal variation.

[5] Nine months only. Not available prior to April 1923.

[6] Index numbers based on net demand deposits prior to 1936 and upon gross demand deposits since that date. For a discussion of this index see CURRENT FARM ECONOMICS, Oklahoma Agricultural Experiment Station Series 49. Vol. 13, Nos. 1 and 2. Feb.-Apr. 1940. p. 41.

[7] Revised.

6-50—4M